

5/30/06 Erickson, Ronald W.

1 UNITED STATES DISTRICT COURT

2 DISTRICT OF MASSACHUSETTS

3 Civil Action No. 03-12628-NG

4 *****

5 IN RE: BIOPURE CORPORATION

6 SECURITIES LITIGATION

7 *****

8 DEPOSITION OF RONALD W. ERICKSON,

9 a witness called on behalf of the Defendants,

10 taken pursuant to the Federal Rules of Civil

11 Procedure, before Maureen O'Connor Pollard, RPR,

12 CLR, and Notary Public within and for the

13 Commonwealth of Massachusetts, at the offices of

14 Bingham McCutchen LLP, 150 Federal Street,

15 Boston, Massachusetts, on the 30th of May, 2006,

16 commencing at 1:09 o'clock p.m.

1 A. I've spoken to people as far as going
2 on investments, but never investment advice as
3 far as going ahead that way. If I call
4 CitiGroup or something like that, I'll ask them
5 on certain things or whatever else, we'll talk a
6 little bit. But other than that, no.

7 Q. What would you ask of Citi with regard
8 to an investment decision?

9 MR. LONGMAN: Are we asking
10 hypothetically what he asked?

11 BY MR. BLANCHARD:

12 Q. In the past, in the past what have you
13 asked of Citi?

14 MR. LONGMAN: Specifically what have
15 you asked, if you recall.

16 A. Have they heard any news other than
17 what I've gotten off the Internet or whatever
18 about a certain stock or something like that.

19 BY MR. BLANCHARD:

20 Q. Anything else?

21 A. No.

22 Q. Did you ask Citi about your investment
23 in Biopure?

24 A. Yep.

1 Q. Do you recall what you asked?

2 A. My estimate they -- I think that may
3 have said that they had no knowledge on the
4 negative end, that it was -- or so they looked
5 into it for me and said that they found, well,
6 more so of what I knew already as far as going
7 ahead and -- about the product, what it was
8 developed for, and the uses what it could do in
9 the future. But they didn't see any negative
10 down side on it in the sense of other than a
11 smaller company, they had a very good product
12 that they could bust loose on.

13 Q. Do you recall who you spoke to at Citi
14 who told you those things?

15 A. John Sorenson.

16 Q. Who was he?

17 A. He works at Citi.

18 Q. Do you know what his position is
19 there?

20 A. Not off the top of my head. I'd say
21 he's either -- he's a vice-president, I believe,
22 might be a senior VP.

23 Q. Were you speaking with him in his work
24 capacity or as someone you know, just someone

1 you know?

2 A. Work capacity.

3 Q. Do you know, where is he located?

4 A. New York. He used to be at Smith
5 Barney, he used to be, and then went over to the
6 -- under the CitiGroup umbrella.

7 Q. At the time you purchased Biopure, was
8 he with Smith Barney or Citi at that point?

9 A. Probably both. It was Smith Barney
10 under Citi, CitiGroup, in that sense, I think, I
11 believe.

12 Q. How did you meet John Sorenson?

13 Am I getting his name right, John
14 Sorenson?

15 A. Yep.

16 I've never met him. I had -- I was
17 given his name through a boss of mine that I had
18 at Great Western when we were going --
19 consolidating some stock options. Everything
20 from my purchase with Washington Mutual prior to
21 that, went ahead, and he referred him over that
22 he'd be a person to go ahead and take the stock
23 options over and work that way.

24 So that's how -- because Smith Barney

1 was an affiliate kind of with Great Western at
2 the time, similar to what Harris Group was with
3 Washington Mutual later on.

4 Q. Now, who is Harris Group again?

5 A. Harris Group is a -- in Washington
6 Mutual you have a 401K. Within that you cannot
7 purchase stock or sell stock unless you take a
8 portion of your money and put it over into
9 Harris Group and then utilizing them to be able
10 to do that.

11 Q. Did you utilize Harris Group to
12 purchased Biopure stock?

13 A. Yes.

14 Q. Did you speak with anyone at Harris
15 Group at the time that you purchased Biopure
16 stock?

17 A. No, I did not.

18 Q. So John Sorenson is the only
19 individual you spoke to about Biopure at the
20 time of your purchase?

21 A. Mm-hmm, other than what I got off the
22 Internet.

23 Q. Do you recall what you asked John
24 Sorenson about Biopure?

1 A. I just asked him if he'd heard
2 anything else other than what I'd been getting
3 off the Internet and so forth, it's a local firm
4 out of Cambridge, Massachusetts. And as far as
5 going ahead, I gave him the history on it, and
6 he said he'd do some research, see if there's
7 any negative feedback on it, and there wasn't.

8 Q. Do you recall when that conversation
9 took place?

10 A. Prior to me purchasing the stock.

11 Q. So you gave him some information, if
12 I'm getting this straight?

13 A. I said this is what I hear, what I've
14 read off the Internet about it, so forth. At
15 that point in time went ahead and ended up just,
16 when I was doing the stock options, going ahead
17 and selling the stock options. I said "well,
18 I'm looking to go ahead and do this, can you
19 check in to see if there's anything else other
20 than what I already know about Biopure?"

21 Q. Do you recall what you told him about
22 what you had learned from the Internet regarding
23 Biopure?

24 A. I believe I just told you that

1 earlier.

2 Q. I'm sorry. I'm just trying to ask it
3 in the context of this discussion and break it
4 down a little bit.

5 And this isn't a question, it's a
6 statement, I don't mean to be repetitive, but
7 sometimes you'll give an answer that maybe is a
8 little general and I'll try and narrow it down.
9 So I'm not here to pester you about it.

10 A. Okay.

11 Q. So do you recall specifically what you
12 had told him about Biopure?

13 A. That it was a company that was
14 developing a substitute for blood and plasma
15 that could last on the shelf without being
16 frozen or anything else, and it could go ahead
17 and be probably six times the time period, I'm
18 not sure about the time period, but it was quite
19 long, probably eighteen months or whatever it
20 lasts on the shelf, it might be longer, that the
21 military was interested in it, and utilizing it,
22 it was going under testing. There was no
23 negative views that I saw at all in the testing
24 or anything else like this. It was coming up

1 for FDA approval, and there was nothing negative
2 on that at all as far as saying that it was
3 being halted or anything. And I said it's
4 something, if I was going to invest into
5 something other than just for the sake of making
6 money, I wanted to invest in something that was
7 for good will, too.

8 Q. At that point did he respond, or did
9 he say he'll get back to you?

10 A. He said he'd check into it and see if
11 he came up with anything else other than what I
12 came -- found or saw.

13 And he came back and said "there's
14 nothing there that I can see that would be on a
15 negative note." He said "it seems like they're
16 a good company to get into. Knowing it's a
17 smaller company that you end up -- there's
18 always risk here and there, but from what it is,
19 there's no down side as far as any
20 notifications, anything that's in a negative
21 site" as far as what they've heard.

22 Q. What do you mean by "notifications"?

23 A. Say, for instance, that their testing
24 was inappropriate or anything like this, they

1 were putting a hold on anything, there was
2 nothing out there in that sense. The only thing
3 that you could find was good news as far as the
4 product.

5 Q. So when you decided to purchase
6 Biopure, you did your own research on the
7 Internet and you spoke with John Sorenson.

8 Did you do anything else before
9 purchasing Biopure stock?

10 A. No.

11 Q. And then based on your research and
12 that conversation with Mr. Sorenson, you
13 purchased Biopure stock?

14 A. Yes.

15 Q. Did you read any documents, prior to
16 your purchase of Biopure stock, did you read any
17 Biopure documents filed with the SEC, the
18 Securities & Exchange Commission?

19 A. No, I didn't.

20 Q. Do you recall reading any of Biopure's
21 press releases?

22 A. I read some press releases as far as
23 what --

24 MR. LONGMAN: Is this prior to his